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FEB 25 2005

PUBLIC SERVICE
COMMISSION

February 24, 2005

via Federal Express

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
P. O. Box 615
Frankfort, KY 40601

Re: Application of Jackson Purchase Energy Corporation for Adjustments in Existing Cable Television Attachment Tariff, before the Public Service Commission of the Commonwealth of Kentucky, Case No. 2004-00319

Dear Ms. O'Donnell:

Enclosed for filing with the Public Service Commission of the Commonwealth of Kentucky (the "Commission") is one original and ten (10) copies of Ballard Rural Telephone Cooperative Corporation Inc.'s Submission of CTAT Calculations in the above-styled case.

In addition, I have enclosed an extra copy of the submission to be file-stamped. Please return the file-stamped copy to me in the enclosed, self-addressed, stamped envelope.

Thank you, and if you have any questions with regard to this matter, please call me.

Very truly yours,

DINSMORE & SHOHL LLP



Holly C. Wallace

HCW/rk

Enclosures

cc: All Parties of Record
Anita Mitchell, Esq.

bc: Mr. Harlon Parker
Janice Chittenden
Randy Grogan
Jim Sharpe
John E. Selent, Esq.

90122v2; 31471-1

Newby

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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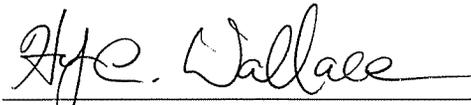
In the Matter of:

APPLICATION OF JACKSON PURCHASE ENERGY)
CORPORATION FOR ADJUSTMENTS IN EXISTING) Case No. 2004-00319
CABLE TELEVISION ATTACHMENT TARIFF)

SUBMISSION OF CTAT CALCULATIONS

Ballard Rural Telephone Cooperative Corporation, Inc. ("Ballard Rural"), by counsel, and pursuant to the January 26, 2005 telephonic informal conference in the above-referenced case, hereby submits its calculations for the Cable Television Attachment Tariff ("CTAT") rates of Jackson Purchase Energy Corporation ("Jackson Purchase"). Pursuant to the request of the staff of the Public Service Commission of the Commonwealth of Kentucky (the "Commission"), Ballard Rural performed these calculations in accordance with the methodology established by the Commission in Administrative Case No. 251. Accordingly, Ballard Rural believes that the attached CTAT rates are the rates to which Jackson Purchase is entitled pursuant to Administrative Case No. 251.

Respectfully submitted,



John E. Selent
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**COUNSEL TO BALLARD RURAL
TELEPHONE COOPERATIVE
CORPORATION, INC.**

CERTIFICATE OF SERVICE

It is hereby certified that a true and accurate copy of the foregoing was served via First Class United States Mail, postage prepaid, to the following individuals this ~~24~~²⁴ day of February, 2005:

Frank N. King, Jr.
Dorsey, King, Gray, Norment & Hopgood
318 Second Street
Henderson, KY 42420

Frank F. Chuppe
Wyatt, Tarrant & Combs
500 West Jefferson Street, Suite 2600
Louisville, KY 40202

Gardner F. Gillespie
Hogan & Hartson, LLP
555 Thirteenth Street, NW
Washington, DC 20004-1109


**COUNSEL TO BALLARD RURAL
TELEPHONE COOPERATIVE
CORPORATION, INC.**

Ballard Rural Telephone Cooperative Corporation, Inc.
 JPEC Pole Rental Dispute Calculations
 From 12/31/2003 JPEC Records

Total Gross Pole Investment Account 364 (From Exhibit 11 - CPR Records)	\$25,283,927.89 NOTE 1
Less Total Accumulated Depreciation on Pole Investment (From Exhibit 15 - Account 108.664)	<u>\$8,470,238.00 NOTE 1</u>
Net Pole Investment	<u>\$16,813,689.89</u>

Net Pole Investment	\$16,813,689.89
Divided by Gross Pole Investment	<u>\$25,283,927.89</u>
Gross to Net Factor	<u>66.50%</u>

	Gross Book Value (Exhibit 11)		Gross to Net Factor		Net Book Value
35' Pole	\$2,402,755.96	times	66.50%	equals	\$1,597,821.10
40' Pole	\$6,765,738.92	times	66.50%	equals	\$4,499,183.69
45' Pole	\$1,647,556.26	times	66.50%	equals	\$1,095,616.95

NOTE 1: Pole Investment and Pole Depreciation are more appropriate to use in the calculation of the Gross to Net Factor in calculating Net Pole Values rather than Total Plant Investment and Total Plant Depreciation used in JPEC's calculations.

Development of Annual Carrying Charge

1. Operation and Maintenance Expense (Exhibit 1)	\$3,727,393.00
2. Customer Accounts Expense (Exhibit 1)	\$1,075,956.00
3. Customer Expense and Informational Expense (Exhibit 1)	\$214,035.00
4. Administration and General Expenses (Exhibit 1)	\$1,514,814.00
5. Depreciation Expense (Exhibit 1)	\$2,968,444.00
6. Taxes Other than Income Taxes (Exhibit 1)	<u>\$43,335.00</u>
7. Total Expenses of Providing Service	<u>\$9,543,977.00</u>
8. Original Utility Plant at End of 2003 - Net Book Value (Exhibit 1)	<u>\$66,205,319.00</u>
9. Expenses divided by Utility Plant at 12/31/2003 (Line 7 / Line 8)	14.42%
10. Rate of Return from Last General Rate Increase	4.61% NOTE 2
Carrying Charge (Line 9 + Line 10)	19.03% (A)

NOTE 2: Used the 4.61% Rate of Return from the last general rate case rather than using all the adjustments used by JPEC after the rate case to increase the rate of return to 5.81%.

2 Party Pole Attachment Rate:

	Quantity (Exhibit 11)	Plant Value	Weighted Average
Total 35' Poles in Plant (NET BOOK VALUE)	13,982	\$1,597,821.10	
Total 40' Poles in Plant (NET BOOK VALUE)	16,538	\$4,499,183.69	
Totals	30,520	\$6,097,004.80	\$199.77 (D)
2 Party Charge per Pole Attachment [A * (D * .85) * .1224]			<u>\$3.95</u>

3 Party Pole Attachment Rate:

	Quantity (Exhibit 11)	Plant Value	Weighted Average
Total 35' Poles in Plant (NET BOOK VALUE)	16,538	\$4,499,183.69	
Total 40' Poles in Plant (NET BOOK VALUE)	3,971	\$1,095,616.95	
Totals	20,509	\$5,594,800.65	\$272.80 (E)
3 Party Charge per Pole Attachment [A * (E * .85) * .0759]			<u>\$3.35</u>

2 Party Anchor: Gross Guy/Anchor Plant Value (Exhibit 10)		\$5,213,927.00
Less JPEC estimated value of Guys (\$2,189,849)		\$3,024,078.00 NOTE 5
x Net plant factor of	66.50%	\$2,010,997.26
x Carrying Charge of	19.03%	\$382,606.82
Divided by # of Anchors (Exhibit 10)	39,833	\$9.61
Divided by # of Users	2	<u>\$4.80</u> 2 Party Anchor Attachment Rate

NOTE 3: Any bare pole factor other than .85 stated in case 251 would have to be substantiated by JPEC's records. An arbitrary factor is not acceptable.

NOTE 4: No Grounding is used in the above calculations. A better method than CATV probably grounds to approximately 50% of JPEC poles, is not acceptable. Possibly another rate could be calculated adding grounding to the calculation and applied only to those attachments using JPEC's grounding.

NOTE 5: Would like better backup, other than revised exhibit 12, on how JPEC calculated value of guys.